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**Sun may be setting on solar center**

State will close site if it can't find research funding

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Three years after buying a solar energy research center for \$1, the state is ready to shut it down within weeks unless someone else can be found to fund its ongoing studies.

The closure is being backed by the Sacramento Municipal Utility District, long a proponent of solar energy. SMUD may have lost hundreds of thousands of dollars operating the research site for the state, and now it wants out.

Top executives at SMUD and the California Energy Commission say the center, called Photovoltaics for Utility Scale Applications or PVUSA, has accomplished its goals and can now fade away.

But some in the solar industry say abandoning an internationally known research site will hurt their businesses and put U.S. firms further behind their European and Japanese counterparts.

The 12-year-old, \$40 million research project covers acres of open fields just north of Davis. Arrayed amid drying grass and gravel walkways are gleaming black solar panels, silver arcs of solar collectors that intensify light, and some broken remains of failed designs.

"This has been a long-strangling casualty of deregulation" in the electric industry, said Tim Townsend, a research engineer for Endecon Engineering, who has gathered data from the site for the past 11 years.

"We're sitting on a national treasure here, and we're looking for creative ways to keep it running," he said.

PVUSA was born as a government-utility partnership during the late 1980s when Pacific Gas and Electric Co. regularly devoted ratepayer dollars to alternative energy research and development.

After a 1996 law ordered utilities to partly deregulate, PG&E sold the site to the Energy Commission for \$1, and SMUD began managing it under contract to the state.

SMUD intended to break even, but it spent money it believed would be reimbursed through federal grants. When the federal funding declined, the ratepayer-owned utility was left with losses.

General Manager Jan Schori said SMUD still hasn't calculated exactly how much it has lost on PVUSA, except that it is less than \$1 million.

Others close to the project said they have heard rough guesses ranging from \$500,000 to \$1.1 million.

Since February, SMUD and the state have been debating the installation's fate, in sometimes-tense discussions.

"It's sad," said Susan Patterson, an elected SMUD director and Energy Commission staffer who was actively involved with the founding ceremonies for PVUSA.

"It seemed to me unfortunate that it was becoming so unpleasant."

After meeting late last week with Energy Commission Executive Director Steve Larson, Schori said they both concluded that PVUSA should shut down as quickly as they could realistically draw up closure agreements.

"It was a difficult decision, but . . . it's time to move on and put dollars in other reas," she said. "I actually think it's a sign the solar industry has grown up" and no longer needs government-funded testing on reliability and performance.

While holding out hope that someone else might want to invest in the solar research, Larson said, "We've gotten out of it what we wanted from it."

The state is anxious to close the books on PVUSA quickly, probably within a month. Endecon, which has run daily operations at the site under both PG&E and SMUD, believes it still could do useful research.

Strides remain to be made, Townsend said, in reducing breakdowns in inverters, the equipment that changes solar panel output from direct current to alternating current.

PVUSA could do more work on long-term solar panel performance, he said, and could keep running seminars for solar installers and inspectors.

Sam Vanderhoof of Trace Engineering Co., a Seattle inverter manufacturer that tests equipment at PVUSA, said his company benefits from the third-party, unbiased testing provided at the site.

"We hate to see it go away," Vanderhoof said. "The information that's come out of there . . . has been critical.

"People from all over the world know about PVUSA," he added.

Some within government suggest PVUSA should be supported by the industry that needs it -- not by taxpayers or Sacramento utility ratepayers.

"There's probably more you can learn from any research. The question is, does the benefit you can receive outweigh the cost," said SMUD's Patterson.

At its height, PVUSA employed about 25 people and cost around \$4 million a year to operate. Since 1997, it has operated on a reduced scale for about \$1 million annually.

Endecon is making last-minute lobbying pitches to the city of Davis, solar companies, state energy commissioners and others to try to save the facility.

Recently, Townsend said, some of its staff has worked without pay to collect what may be the site's final data.